CLASS ACTION COMPLAINT FOR DAMAGES

Case 3:10-cv-01625-DMS-MDD Document 1 Filed 08/04/10 Page ID.1 Page 1 of 11

INTRODUCTION

- 1. Plaintiff Jesus Martinez, through his counsel, brings this action to challenge the acts of CACH, LLC (hereinafter "CACH") regarding attempts by Defendant to unlawfully and abusively collect a debt allegedly owed by Plaintiff, and this conduct caused Plaintiff damages.
- 2. Plaintiff makes these allegations on information and belief, with the exception of those allegations that pertain to a plaintiff, or to a plaintiff's counsel, which Plaintiff alleges on personal knowledge.
- 3. While many violations are described below with specificity, this Complaint alleges violations of the statutes cited in their entirety.
- 4. Any violations by Defendant were knowing, willful, and intentional, and Defendant did not maintain procedures reasonably adapted to avoid any such violation.

JURISDICTION AND VENUE

- 5. Jurisdiction of this Court arises pursuant to 28 U.S.C. § 1331 (federal question), 15 U.S.C. § 1692(k), and 28 U.S.C. § 1367 for supplemental state claims.
- 6. This action arises out of Defendant's violations of the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq. ("FDCPA") and the Rosenthal Fair Debt Collection Practices Act, California Civil Code §§ 1788-1788.32 ("Rosenthal Act").
- 7. As CACH does business in the state of California, and committed the acts that form the basis for this suit in the state of California, this Court has personal jurisdiction over CACH for purposes of this action.
- 8. Venue is proper in this district pursuant to 28 U.S.C. § 1391 in that many of the acts and transactions giving rise to this action as alleged in this complaint occurred in this district.

PARTIES

- 9. Plaintiff is a natural person, an adult, and resides in San Diego County, California.
- 10. Plaintiff is informed and believes and thereon alleges that Defendant CACH, LLC ("CACH") is a Colorado limited liability company, or LLC, doing business in the state of California and, in particular, San Diego County.

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- Defendant is a person who uses an instrumentality of interstate commerce or the 11. mails in a business the principal purpose of which is the collection of debts, or who regularly collects or attempts to collect, directly or indirectly, debts owed or due or asserted to be owed or due another and is therefore a debt collector as that phrase is defined by 15 U.S.C. § 1692a(6).
- Defendant, in the ordinary course of business, regularly, on behalf of himself, 12. herself, or others, engages in debt collection as that term is defined by California Civil Code § 1788.2(b), is therefore a debt collector as that term is defined by California Civil Code § 1788.2(c).
- 13. Plaintiff is obligated or allegedly obligated to pay a debt, and is a "consumer" as that term is defined by 15 U.S.C. § 1692a(3).
- 14. Plaintiff is a natural person from whom a debt collector sought to collect a consumer debt which was due and owing or alleged to be due and owing from Plaintiff, and is a "debtor" as that term is defined by California Civil Code § 1788.2(h).
- This case involves money, property or their equivalent, due or owing or alleged to 15. be due or owing from a natural person by reason of a consumer credit transaction. As such, this action arises out of a consumer debt and "consumer credit" as those terms are defined by Cal. Civ. Code § 1788.2(f).

FACTS COMMON TO ALL CLAIMS

- 16. Sometime before December 8, 2009, Plaintiff is alleged to have incurred certain financial obligations to Bank of America, NA.
- 17. These financial obligations were primarily for personal, family or household purposes and were therefore a "debt" as that term is defined at 15 U.S.C. §1692a(5).
- 18. These alleged obligations were money, property, or their equivalent, which is due or owing, or alleged to be due or owing, from a natural person to another person and are therefore a "debt" as that term is defined by California Civil Code §1788.2(d), and a "consumer debt" as that term is defined by California Civil Code §1788.2(f).
- Subsequently, but before December 8, 2009, the alleged debt was allegedly 19. assigned, placed, or otherwise transferred, to Defendant CACH for collection.

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- 20. On December 8, 2009, CACH filed a Complaint in the Superior Court of California for the County of San Diego against Mr. Martinez claiming a debt, based on the above alleged debt to Citibank (South Dakota) NA, based on theories of Breach of Contract, Open Book Account and Account Stated.
- The case number of the above December 8, 2009 Complaint was 37-2009-21. 00062391-CL-CL-NC. A copy of this December 8, 2009 Complaint is attached as Exhibit A.
- In the above December 8, 2009 Complaint, CACH claimed a right to 24.50 percent 22. fixed interest on the debt alleged.
- 23. However, CACH did not have the right to charge 24.5 percent fixed interest on the debt alleged, or any fixed rate of interest at greater than California's legal rate of 10 percent.
- 24. CACH did not hold rights under any contract with Mr. Martinez giving CACH, Bank of America, or any other party, the right to charge 24.5 percent fixed interest, or any other fixed rate of interest.
- 25. On March 22, 2010, CACH filed a "Declaration in Support of Entry of Judgment by Default by Court" in the above action, in which CACH's authorized agent Kara Egizi declared that a Bank of America form contract attached to Ms. Egizi's declaration as Exhibit A was the contract governing the account at issue.
- 26. This Bank of America form contract provided for a variable interest rate, not a fixed rate of 24.5 percent.
- A copy of Ms. Egizi's Declaration and the Bank of America form contract are 27. attached as Exhibit B.

CLASS ACTION ALLEGATIONS

28. Plaintiff brings this action on behalf of himself and the members of the following class ("Class One") defined as (i) all persons that are "consumers" as that term is defined by 15 U.S.C. § 1692a(3); (ii) that were sued by Defendant CACH (iii) in any California Superior Court; (iv) within one year prior to the filing of this action; (v) for variable-rate financial obligations allegedly owed at one time to any creditor that subsequently assigned, placed, or otherwise transferred to Defendant CACH for collection; (vi) where said obligations were primarily for

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personal, family or household purposes; and (vii) where Defendant CACH claimed a right to a fixed rate of interest greater than California's legal rate of ten percent.

- 29. Plaintiff brings this action on behalf of himself and the members of the following class ("Class Two") defined as (i) all persons that are "consumers" as that term is defined by California Civil Code § 1788.2(b); (ii) that were sued by Defendant CACH (iii) in any California Superior Court; (iv) within one year prior to the filing of this action; (v) for variable-rate financial obligations allegedly owed at one time to any creditor that subsequently assigned, placed, or otherwise transferred to Defendant CACH for collection; (vi) where said obligations were primarily for personal, family or household purposes; and (vii) where Defendant CACH claimed a right to a fixed rate of interest greater than California's legal rate of ten percent.
- 30. For purposes of the First Claim for Relief, the FDCPA Claim, the class period is one year prior to the filing of the Original Complaint.
- 31. For purposes of the Second Claim for Relief, the Rosenthal Act Claim, the class period is one year prior to the filing of the Original Complaint.
- 32. Defendants' conduct has imposed a common injury on the members of Class One and Class Two.
- 33. Defendants have acted, and refused to act, on ground generally applicable to Class One and Class Two, which makes final injunctive relief with respect to each claim as a whole appropriate.
- 34. The representative Plaintiff faithfully represents, and is a member of, Class One and Class Two.
- 35. Class One is composed of hundreds or thousands of persons, the joinder of which would be impractical.
- 36. Class Two is composed of hundreds or thousands of persons, the joinder of which would be impractical.
- 37. The individual identities of the individual members are ascertainable through Defendant's records or by public notice.

- 38. There is a well-defined community of interest in the questions of law and fact involved affecting the members of Class One.
- 39. There is a well-defined community of interest in the questions of law and fact involved affecting the members of Class Two.
- 40. The questions of law and fact common to Class One and Class Two predominate over questions affecting only individual class members, and include, but are not limited to, the following:
 - (a) Whether Defendant violated the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq.;
 - (b) Whether Defendants violated California's Rosenthal Act, Cal. Civ. Code §§ 1788 et seq.;
 - (c) Whether Class One is entitled to the remedies available to Plaintiff under the FDCPA;
 - (d) Whether Class Two is entitled to the remedies available to Plaintiff in California's Rosenthal Act;
 - (e) Whether Class One is entitled to an award of reasonable attorneys' fees and costs of suit pursuant to the FDCPA;
 - (f) Whether Class Two is entitled to an award of reasonable attorneys' fees and costs of suit pursuant to California's Rosenthal Act;
 - (g) Whether Class One is entitled to any other remedies; and
 - (h) Whether Class Two is entitled to any other remedies.
 - (i) Whether it was appropriate to claim an interest rate beyond the legal rate in actions made by Defendant against members of Class One and Class Two to collect outstanding debts.
 - 41. Plaintiff will fairly and adequately protect the interests of both classes.
- 42. Plaintiff retained counsel experienced in handling class claims and claims involving unlawful collection practices.

- 43. Plaintiff's claims are typical of the claims of both classes, which all arise from the same operative facts involving unlawful collection practices.
- 44. A class action is a superior method for the fair and efficient adjudication of this controversy. Class-wide damages are essential to induce Defendant to comply with Federal and State Law. The interest of class members in individually controlling the prosecution of separate claims against Defendant is small because the maximum statutory damages in an individual FDCPA action are \$1,000.00 and an additional \$1,000.00 under California's Rosenthal Act. Management of these claims are likely to present significantly fewer difficulties than those presented in many class claims, such as claims for securities fraud.
- 45. Defendant has acted on grounds generally applicable to the class, thereby making appropriate final declaratory relief with respect to the class as a whole.
- 46. Plaintiff requests certification of a hybrid class combining the elements of Rule 23(b)(3) for monetary damages and Rule 23(b)(2) for equitable relief.
- 47. Unless a class is certified, Defendants will retain monies received as a result of its conduct taken against the members of each class and the Plaintiff. Unless a class-wide injunction for each class is issued, Defendants will continue to commit the violations alleged, and members of each class will continue to be harmed.

FIRST CAUSE OF ACTION

(Class Claim for violations of the FDCPA by CACH)

- 48. Plaintiff and the member of Class One repeat, re-allege, and incorporate by reference all the allegations contained in the paragraphs above.
- 49. Based on information and belief, Defendant CACH violated the FDCPA.

 Defendant's violations include, but are not limited to the following:
 - a. 15 U.S.C. §1692e by making a false, misleading or deceptive misrepresentation in connection with the collection of a debt
 - b. 15 U.S.C. §1692f(1) by collecting an amount not authorized by agreement or statute by claiming a right to collect a fixed rate of interest over ten percent, when CACH is not authorized to do so under any agreement or statute; and

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- 15 U.S.C. §1692f by using an unfair or unconscionable means to collect or c. attempt to collect a claimed debt.
- 50. As a proximate result of each and every violation of the FDCPA committed by Defendant CACH during the Class Period, Plaintiff and the members of Class One are entitled to any actual damages pursuant to 15 U.S.C. § 1692k(a)(1); statutory damages in an amount up to \$1,000.00 each pursuant to 15 U.S.C. § 1692k(a)(2)(A); and, reasonable attorney's fees and costs pursuant to 15 U.S.C. § 1692k(a)(3) from Defendant CACH.

SECOND CAUSE OF ACTION

(Class Claim for violations of the Rosenthal Act by CACH)

- 51. Plaintiff and the member of Class Two repeat, re-allege, and incorporate by reference all the allegations contained in the paragraphs above.
- Based on information and belief, Defendant CACH's acts and omissions violated 52. California Civil Code § 1788 et seq, including, but not limited to the following sections: California Civil Code § 1788.17.
- 53. Based on information and belief, Defendant's violations of California Civil Code § 1788.17, which incorporates several of the provisions of the FDCPA, include:
 - 15 U.S.C. §1692e by making a false, misleading or deceptive a. misrepresentation in connection with the collection of a debt;.
 - 15 U.S.C. §1692f(1) by collecting an amount not authorized by agreement b. or statute by claiming a right to collect a fixed rate of interest over ten percent, when CACH is not authorized to do so under any agreement or statute; and
 - 15 U.S.C. §1692f by using an unfair or unconscionable means to collect or c. attempt to collect a claimed debt.
- Defendant's violations of the Rosenthal Act were willful and knowing, thereby 54. entitling Plaintiff to statutory damages pursuant to Civil Code § 1788.30(b).
- As a proximate result of each and every violation of the Rosenthal Act committed 55. by Defendant CACH during the Class Period, Plaintiff and the members of Class Two are entitled to any actual damages pursuant to California Civil Code § 1788.30(a); statutory damages in an

SJS 44 (Rev. 12/07)

CIVIL COVER SHEET

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The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing	and service of pleadings or other papers as required by law, except as provide
by local rules of court. This form, approved by the Judicial Conference of the United States in September	r 1974, is required for the use of the Clerk of Court for the purpose of initiating
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(c) Attorney's (Firm Name	e, Address, and Telephone Numbe	rr)		Attorneys (If Known)	44.	
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II. BASIS OF JURISE	DICTION (Place an "X" in	o One Box Only)		TIZENSHIP OF P (For Diversity Cases Only)	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintiff and One Box for Defendant)
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IV. NATURE OF SUI						
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☐ 110 Insurance ☐ 120 Marine ☐ 130 Miller Act ☐ 140 Negotiable Instrument ☐ 150 Recovery of Overpayment & Enforcement of Judgment ☐ 151 Medicare Act ☐ 152 Recovery of Defaulted Student Loans (Excl. Veterans) ☐ 153 Recovery of Overpayment of Veteran's Benefits ☐ 160 Stockholders' Suits ☐ 190 Other Contract ☐ 195 Contract Product Liability ☐ 196 Franchise ☐ REAL PROPERTY ☐ 210 Land Condemnation ☐ 220 Foreclosure ☐ 230 Rent Lease & Ejectment ☐ 240 Torts to Land ☐ 245 Tort Product Liability ☐ 290 All Other Real Property	Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle 355 Motor Vehicle Product Liability 360 Other Personal Injury CIVIL RIGHTS 441 Voting 442 Employment 443 Housing/ Accommodations 444 Welfare 445 Amer. w/Disabilities -	PERSONAL INJUR' 362 Personal Injury - Med. Malpractice 365 Personal Injury - Product Liability 368 Asbestos Persona Injury Product Liability PERSONAL PROPER' 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage Product Liability PRISONER PETITION 510 Motions to Vacate Sentence Habeas Corpus: 530 General 535 Death Penalty 540 Mandamus & Oth 550 Civil Rights 555 Prison Condition	62 62 63 64 64 64 64 64 64 64	0 Agriculture 0 Other Food & Drug 5 Drug Related Seizure of Property 21 USC 881 0 Liquor Laws 0 R.R. & Truck 0 Airline Regs. 0 Occupational Safety/Health 0 Other LABOR 0 Fair Labor Standards Act 0 Labor/Mgmt. Relations 0 Labor/Mgmt. Reporting & Disclosure Act 0 Railway Labor Act 0 Other Labor Litigation 11 Empl. Ret. Inc. Security Act 1 IMMIGRATION 2 Naturalization Application 3 Habeas Corpus Alien Detainee 5 Other Immigration Actions	422 Appeal 28 USC 158 423 Withdrawal	400 State Reapportionment 410 Antitrust 430 Banks and Banking 450 Commerce 460 Deportation 470 Racketeer Influenced and Corrupt Organizations 480 Consumer Credit 490 Cable/Sat TV 810 Selective Service 850 Securities/Commodities/Exchange 875 Customer Challenge 12 USC 3410 890 Other Statutory Actions 891 Agricultural Acts 892 Economic Stabilization Act 893 Environmental Matters 894 Energy Allocation Act 895 Freedom of Information Act 900Appeal of Fee Determination Under Equal Access to Justice 950 Constitutionality of State Statutes
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VI. CAUSE OF ACTI	ON Brief description of ca	use:		ebt Collection Prac	al statutes unless diversity):	
VII. REQUESTED IN COMPLAINT:	CHECK IF THIS UNDER F.R.C.P.	IS A CLASS ACTION		EMAND \$ In Excess of \$1,000,000	OF CHECK YES only	if demanded in complaint:
VIII. RELATED CAS	(See instructions):	JUDGE .			DOCKET NUMBER	
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Court Name: USDC California Southern

Division: 3

Receipt Number: CAS016611 Cashier ID: bhartman

Transaction Date: 08/04/2010 Payer Name: NICOLAS AND BUTLER

CIVIL FILING FEE

For: MARTINEZ V CACH LLC

Case/Party: D-CAS-3-10-CV-001625-001

Amount: \$350.00

: CHECK

Check/Money Order Num: 2599 Amt Tendered: \$350.00

Total Due: \$350.00 Total Tendered: \$350.00

Change Amt: \$0.00

There will be a fee of \$45.00 charged for any returned check.